



*"People  
helping people  
help  
themselves"*

Mitchell E. Daniels, Jr., Governor  
State of Indiana

***Division of Disability and Rehabilitative Services***

402 W. WASHINGTON STREET, P.O. BOX 7083  
INDIANAPOLIS, IN 46207-7083

1-800-545-7763

Since April 2008, the Bureau of Quality Improvement Services (BQIS), a program of the Division of Disability and Rehabilitative Services (DDRS), has been conducting Representative Payee Financial Transaction Reviews. This process has provided ongoing quality monitoring, added protection against financial mismanagement and exploitation for the individuals we serve, and fostered an environment of compliance by Representative Payees. The procedures involved in these reviews were developed by BQIS, in conjunction with Liberty of Indiana and Certified Public Accounting (CPA) firm Thomas and Reed, LLC.

Originally, this procedure required three levels of process:

1. **Discovery Review** of two months of documents
2. **Quantification Review** of 12 months of documents
3. **Validation Phase** to ensure that corrective action had been implemented by the Representative Payee.

As this implementation has evolved, BQIS has discovered that in most cases, completing a two month review does not produce sufficient information required to do a quality review. Additionally, Representative Payees often have to produce the same information twice using this system.

In order to create a more efficient and accurate review, BQIS is reducing the Representative Payee Financial Transaction Reviews from the three level process to a two tiered system. Beginning on February 1, 2010 this new process will include:

1. **Financial Transaction Review (Discovery/Quantification)** of 12 months of documents
2. **Validation Phase** to ensure that corrective action has been implemented by the Representative Payee.



# **Representative Payee Financial Transaction Review**

As of February 1, 2010

## **OVERVIEW**

A Representative Payee Financial Transaction Review is an evaluation process conducted by an independent reviewer to look at how a consumer's money is managed by the Representative Payee. BQIS, through a contract with Liberty Healthcare, has hired the Certified Public Accounting (CPA) firm of Thomas and Reed, LLC to conduct these reviews.

This review process may be applicable to any individual receiving funding through the Bureau of Developmental Disabilities Services (BDDS) and may include:

- Home and Community Based Services, Medicaid Waivers
  - Developmental Disabilities (DD) Waiver
  - Autism (AU) Waiver
  - Support Services (SS) Waiver
- State Line Item Services

Financial reviews may be initiated by BQIS in cases where there is suspected malfeasance. These cases will be referred to Thomas and Reed and the review process will begin.

## **THE PROCESS**

### ***1. Financial Transaction Review Phase (Discovery/Quantification)***

Thomas and Reed will begin the Financial Transaction Review phase by contacting the Representative Payee. In most cases this is the Residential Habilitation Services (RHS) provider. Thomas and Reed will then request 12 months of documents including bills and receipts. The Representative Payee will have 10 business days to comply with this request. Upon receipt of the documents, Thomas and Reed will review all materials and quantify the findings.

Thomas and Reed, will issue a draft report of the findings and if needed, recommend corrective actions. All reports will be released to the Representative Payee and to the appropriate state representatives. If deemed necessary, a Representative Payee may be required to submit paybacks to the Recipient and/or the Indiana Family and Social Services Administration (FFSA) Audits Department. The FSSA Audits Department will collect the State Residential Living Allowance (RLA) paybacks. If federal monies are owed, the Representative Payee will reimburse the Recipient and provide documentation of such action. The Representative Payee should also work with the individual's Support Team to determine how refunds will be appropriately disbursed for the benefit of the Recipient so that they can maintain service eligibility.

## **2. Validation Phase**

Upon receipt of a draft report, Representative Payees are required to develop a Corrective Action Plan (CAP), which must be submitted to Thomas and Reed within 10 business days. Once approved, the CAP must be fully implemented within 30 days. Thomas and Reed will follow up with the Representative Payee to validate that the CAP has been implemented by this deadline. Once validated, a final report will be sent to the Representative Payee and all appropriate state representatives, including BQIS, BDDS, and the FSSA Audits Department.

A Representative Payee has the right to appeal a final report. An appeal must be filed within 30 calendar days from the date on the final report. Appeals must be made directly to the FSSA Audits Department. During the appeals process, the Federal payback portion will be referred to the Social Security Administration for processing.

## **UPCOMING TRAININGS**

BQIS is pleased to partner with Indiana Association of Rehabilitation Facilities (INARF) to develop training sessions to assist Representative Payees and provider agencies with the Representative Payee Financial Transaction Review process. Training materials will assist with the development of accounting practices that will provide a systematic approach to the tasks related to managing a recipient's finances. The training materials will be posted on the BQIS website in the near future.

Frequently Asked Questions (FAQs) supplied by INARF members regarding the Representative Financial Transaction Review process are now posted on the BQIS website.

## **RESOURCES**

The State of Indiana's policies for managing the finances of an individual who is receiving waiver services are in *Title 460 of the Indiana Administrative Code, Article 6-24-3 and Article 6-9-4* which is available online at <http://www.in.gov/legislative/iac/T04600/A00060.PDF>.

If you have questions or require further information relating to the Representative Payee Financial Transaction Reviews or any BQIS initiative, you may contact us through the following resources:

- Phone: 317-234-2707
- E-Mail: [BQIS.Help@fssa.in.gov](mailto:BQIS.Help@fssa.in.gov)
- Website: [www.ddrs.in.gov](http://www.ddrs.in.gov)

**Reference #: BQ20100322**